



California Public Utilities Commission

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News Release

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PUC TO ACT SWIFTLY TO LOWER ELECTRICITY RATES

The California Public Utilities Commission (PUC) today applauded Governor Gray Davis' announcement that the California Department of Water Resources (DWR) is cutting approximately \$1 billion from its revenue requirement, and the PUC committed itself to working expeditiously to lower rates for the three major investor-owned electric utilities serving California's consumers.

"Thanks to Governor Davis' leadership, DWR has lowered its revenue requirement and the PUC can move to decrease rates. This is very good news for consumers, and the Commission will do everything it can to expedite the process," said PUC President Michael R. Peevey. "The PUC has 120 days to act on DWR's revenue requirement from the day in which it is submitted. However, this is an important step in getting California back on its economic feet after the energy crisis, and we'll work quickly to fairly distribute the rate decrease among California's customers."

As a result of the rate decrease, residential customers would see a savings, on average, of approximately \$30 a year, while small businesses would see an average savings of \$60 to \$120 a year.

Southern California Edison Company has already asked the Commission for approval to lower rates and a settlement that would lower rates by July 1, 2003 by more than \$1 billion, distributed among all customer classes, is pending before the Commission. The reduction in rates as a result of DWR's lowered revenue requirement is an additional reduction that could also take place as early as July 1, 2003.

San Diego Gas and Electric Company (SDG&E) customers could see their rates lowered by August 2003.

Because Pacific Gas and Electric Company (PG&E) chose to enter into bankruptcy, its customers would receive a rate decrease when the company emerges from bankruptcy.

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